

ECONOMIC CONTRIBUTION OF VISITORS TO SELECTED NORTH CAROLINA STATE PARKS



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Prepared for:



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Foreword



North Carolina Department of Environment and Natural Resources Division of Parks and Recreation

Michael F. Easley, Governor

William G. Ross Jr., Secretary

Lewis R. Ledford, Director

May 22, 2008

Dear Reader:

The North Carolina State Parks System exists for the enjoyment, education, health and inspiration of all our citizens and visitors. The system's mission is to conserve and protect representative examples of the natural beauty, ecological features and recreational resources of statewide significance; to provide outdoor recreational opportunities in a safe and healthy environment; and to provide environmental education opportunities that promote stewardship of the state's natural heritage.

The above information is a succinct summary of why we do what we do in running the state parks system. But each park is also part of a community and is expected to be an active partner and positive contributor to the quality of life for local residents and businesses. We provide open space, recreational opportunities and ways to escape the rigors and frustrations of daily life. We provide vacation destinations for the people of and visitors to this great state and play a significant role in North Carolina's tourism economy by attracting 13.4 million visitors each year.

Over time, we have gathered and heard anecdotal summaries and estimates of our contributions to the local communities and neighboring land values. We felt it was important to gather and utilize more specific and accurate data about the system's economic contributions. For that reason, we contracted with North Carolina State University and the Recreational Resources Services to poll our visitors, collect expenditure information and analyze and organize the findings in a useful, easy to understand format.

The findings in this study, while purposefully viewed from a conservative standpoint, clearly show that state parks made a considerable economic contribution to North Carolina's economy. Every park surveyed contributed a number of jobs and had considerable impact on the personal income of local residents.

I hope you will take the time to carefully read this analysis. It provides very useful information that will be useful to decision-makers and leaders in the public and private sectors. We always knew our parks provided valuable natural resource protection and recreational opportunities. Now we know a great deal more about our economic contributions. It is our plan to continue with periodic assessments of the economic contributions of the state park system to the economy of North Carolina.

Sincerely,

Lewis R. Ledford

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Executive Summary

North Carolina's state parks system provides important benefits to visitors to the state as well as local residents in the form of conservation, outdoor recreation activities and educational opportunities. In addition to those benefits, state parks and their facilities, services and amenities contribute economically to local communities and the state through the expenditures of tourists. For this study, tourist is defined as a non-local visitor whose primary purpose for a trip was to visit a state park.

The purpose of this study was to document the economic impact of tourists (primary-purpose, non-local visitors) to North Carolina state parks. The study's method is based on surveys and detailed interviews of park visitors from July 2005 through June 2006 (fiscal year 2005-06). Researchers interviewed 2,164 visitors in 15 state parks and asked them to report their own expenditures as well as the expenditures made by other members of their party. As a result, expenditures from a total of 7,430 park visitors were documented. Of the 2,164 visitors interviewed, 852 were identified as tourists, or primary-purpose, non-local visitors. These visitor expenditures – labeled direct expenditures – were analyzed using generally accepted economic impact methodology. Data were collected from Weymouth Woods Natural Historic Preserve but were omitted from the final analysis due to the small sample size (16) of visitor groups.

Visitor expenditures were grouped into six categories: groceries, dining out, recreational equipment and supplies, retail shopping, lodging and auto expenses. Expenditures were also grouped by three visitor types: (1) primary-purpose, non-local visitors (tourist); (2) casual-use, non-local visitors; and (3) local visitors. Only the economic impact of expenditures from primary-purpose, non-local visitors is reported here. Because of that narrow focus of the study, its estimates of the total economic impact of state parks are quite conservative. Measuring the additional economic impact of casual-use, non-local visitors and local visitors to state parks could be incorporated into future studies.

Using IMPLAN modeling software – an industry standard for economic impact analysis – this study measures not only the economic impact of tourist trips on sales, household income and jobs, but also measures the impact that park operating budgets have on these same aspects of local economies. The operating budgets for the state parks system signify an investment by the state. One measure of the return on this investment is the economic impact created when tourists choose to visit the parks for their recreation. A second measure of that return is in the leverage ratio – or, the number of dollars generated for local residents for every dollar invested by the state from the annual operating budgets. Fees for such activities as camping are not reflected in this study since those are returned to the North Carolina General Fund. Also, the impact of park capital improvement expenditures on local economies was not analyzed.

Analysis of data collected in the study reveals that the state parks make a considerable economic contribution to North Carolina's economy. Each park contributes a number of jobs and has considerable impact on the personal income of local residents. The principal

results of the study are highlighted below. A detailed summary of data analysis from each park where surveys were conducted is contained in this report.

- Each tourist (primary-purpose, non-local visitor) spent an average of \$23.56 per day. The average group size was 3.14, and the average length of visit in the area was 1.73 days. Thus, average group spending per park visit was \$127.98.
- The overall estimated annual economic impact of tourist expenditures for all 14 study parks, based on 2004 attendance, was:
 - \$124 million in sales;
 - \$46 million impact on residents' income;
 - 2,119.9 full-time equivalent jobs.
- The overall estimated annual impact of the annual operating budgets of the 14 parks was:
 - \$15 million in sales;
 - \$10 million impact on residents' income;
 - 256.9 full-time equivalent jobs.
- The park leverage ratios ranged from 1:1.8 to 1:25.1. (Or, for each dollar invested by the state, between \$1.80 and \$25.10 were generated for local economies.)
- To estimate the potential annual economic impact of all tourist visiting the North Carolina State Parks System, the data from the 14 study units was applied to the entire System. It was assumed that the travel and spending patterns of the tourist to the remaining sites were comparable to the tourist visiting the study units.
 - \$289 million in sales;
 - \$120 million on residents' income;
 - 4,924 full-time equivalent jobs.

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